



# Water & Waste Disposal Revolving Loan Funds

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## What does this program do?

This program helps qualified nonprofits create a revolving loan fund (RLF) that can provide financing for the extension and improvement of water and waste disposal systems in rural areas.

## Who may apply for these grants?

Nonprofits that have:

- legal authority to operate a revolving loan fund
- financial, technical and managerial capacity to comply with relevant state/federal laws and regulations

### How may grant funds be used?

To create a RLF for eligible utility districts operated by:

- State and local governmental entities
- Nonprofits

### What may the RLF be used for?

- Pre-development costs of water and wastewater treatment projects
- Short-term small capital improvement projects that are not part of the regular operations and maintenance

### What are the RLF terms?

- Maximum loan per borrower is \$100,000
- Maximum term is 10 years
- Interest rate determined by utility district borrower and nonprofit that manages the RLF

### What is an eligible area?

- Rural areas and towns with 10,000 or fewer people – check **eligible addresses**
- Tribal Lands in rural areas
- Colonias

### Are matching funds required?

Partnerships with other federal, state and local entities are encouraged; however, in some circumstances a grant may be offered for 100% of the Revolving Loan Fund start-up capital if funds are available.

### How do we get started?

Contact a USDA Rural Development program specialist in the state or territory where your RLF would be available.

### What governs this program?

- Code of Federal Regulation, **7 CFR Part 1783**
- This program is authorized by Section 306 of the Consolidated Farm and Rural Development Act (CON ACT) and section 6002 of the Agricultural Act of 2014

### Why does USDA Rural Development do this?

This program helps very small communities extend and improve water and waste-treatment facilities for households and businesses. Good practices can save tax dollars, improve the natural environment and may be necessary for manufacturers and other types of businesses to locate or expand operations.

NOTE: Because citations and other information may be subject to change please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact **your local office** for assistance. You will find additional forms, resources, and program information at [www.rd.usda.gov](http://www.rd.usda.gov). *USDA is an equal opportunity provider, employer, and lender.*